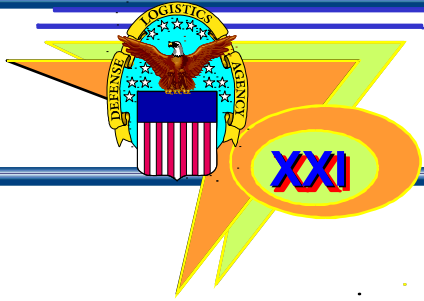


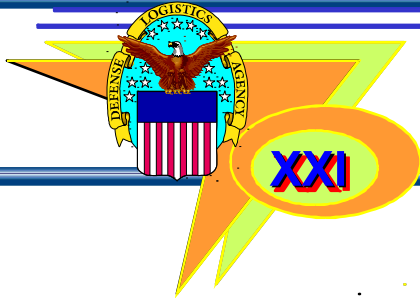
DCMC FY 01 Budget Overview

**Presented by Marcia Case
April 3, 2000**



Agenda

- **FY 99/FY 00 Baseline**
- **Congressional/PBD Marks**
- **Reimbursable Earnings Trend**
- **FY 01 Budget Strategy**
- **Funding Allocation Assumptions**
- **District & HQ Budget Targets by Object Class**
- **FY 01 Budget Challenges**



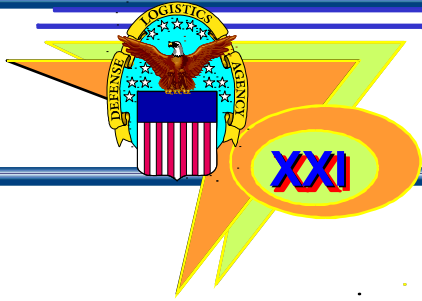
FY 99/FY 00 Baseline

➤ FY 99

- Hiring freeze in place all year
- Under executed reimbursable earnings by \$7 million
- Absorbed unexpected payout of \$12 million for Fair Labor Standards Act agreement
- Under executed FTEs by 200

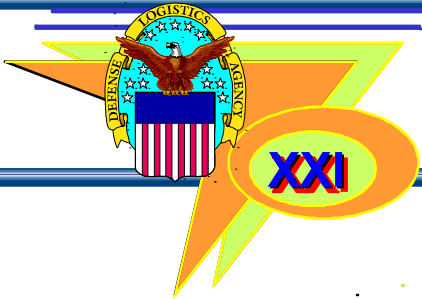
➤ FY 00

- Hiring freeze lifted except for high grades and CAOs over burning by more than 5% of their approved allocation
- FY 99 FTE under execution resulted in a FY 00 budget mark of \$12 million and 178 FTEs



Impact of Congressional/PBD Marks (\$M)

	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>
FY 00 Pres Budget Request	974.6	965.8	977.9	987.8
Congressional Marks:				
Performance Measures	(5.0)	-	-	-
Management HQ	(3.4)	-	-	-
Earmarks/General Provisions	(1.9)	-	-	-
Appropriated Recision	(3.6)	-	-	-
OSD Management Withhold	(1.9)	-	-	-
PBD 070 & 071: DFAS/WHS Transfers	(1.6)	(1.6)	(1.7)	(1.7)
PBD 070C: Under Execution	(11.9)	-	-	-
PBD 703: DCMC HQ Relocation	3.0	2.5	2.5	2.5
Revised Budget Request	948.3	966.7	978.7	988.6



Reimbursable Earnings (\$M)

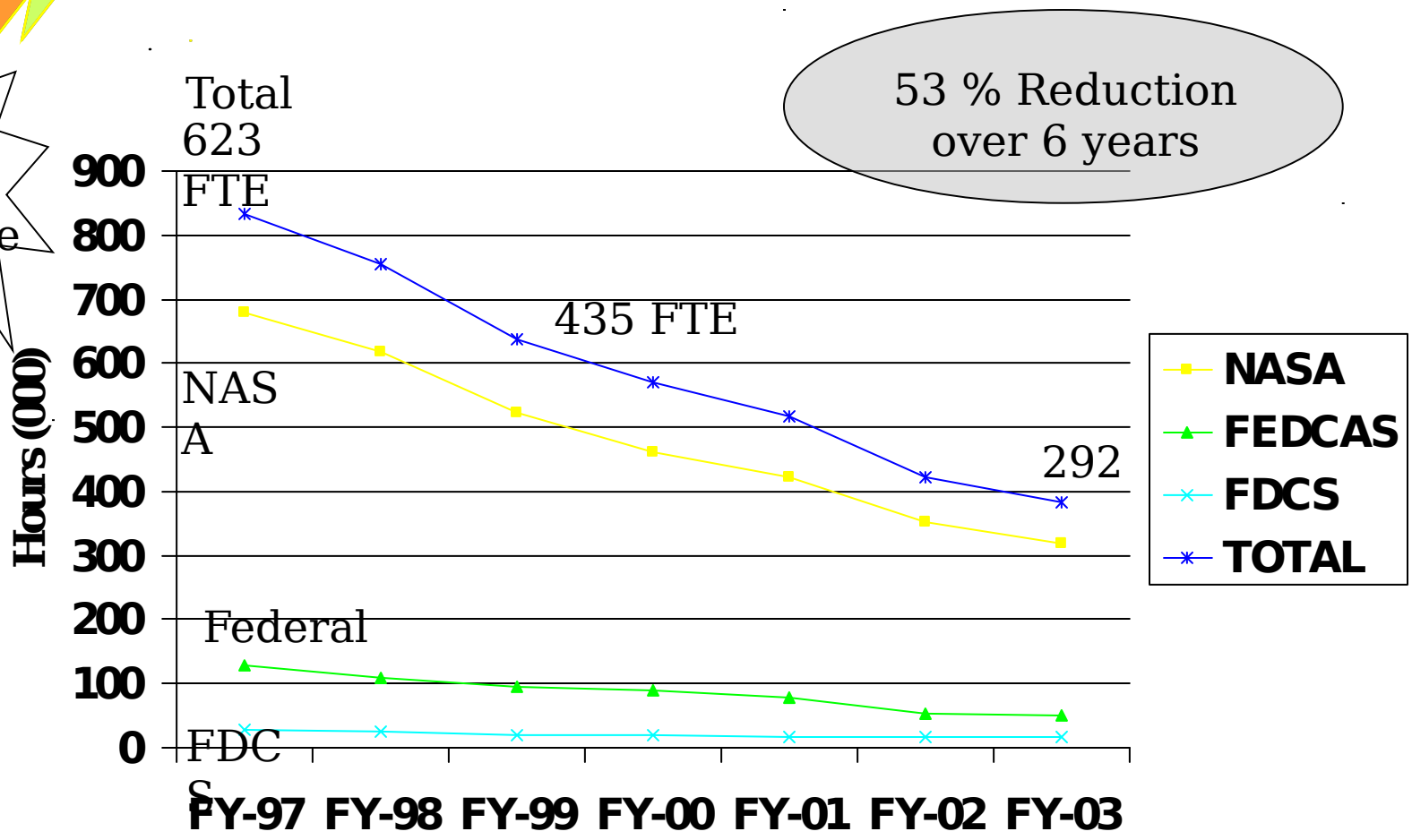
	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>
FMS CONUS	97.6	80.4	76.4	70.8
FMS OCONUS	17.6	16.8	15.9	15.9
NASA	30.3	26.5	25.3	23.4
FEDCAS	5.1	3.7	3.7	3.6
Privatization	4.8	-	-	-
Other	4.7	3.0	3.2	3.1
Total	160.1	130.4	124.5	116.8



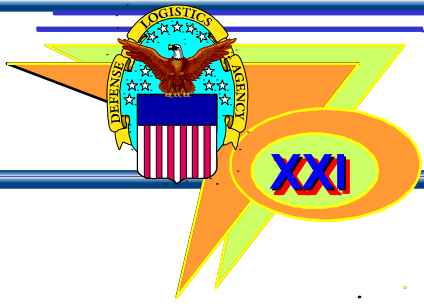
DCMC International/Federal Workload Trends

Trends
XXI

FMS-
Similar
Decrease



FDCS = Foreign Direct Commercial Sales



FY 01 Budget Strategy

- **Aggressive hiring plan in place for intern program**
- **District FTEs reduced in order to hire interns**
- **Can no longer afford to keep travel and training level each year...funding on a per capita basis**
- **Balance FTE reductions with workload realignments, move people versus separating and hiring**



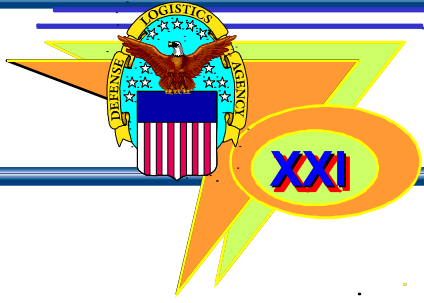
District Funding Allocation Process

- Fully funded basic labor by inflating FY 00 funded AAR by 4.0%
- Also included funding for step increases (\$452 per FTE)
- Overtime funded at 0.5% of basic labor
- Awards funded at 1% of basic labor
- Assumes FTE reductions accomplished with attrition... no VSIP
- Nonlabor estimates derived by inflating the FY 00 current allocation 1.5%, except:
 - Travel: Funded at FY 00 per capita rate plus inflation
 - Training: Reduced FY 00 allocation by 5% then added 1.5% inflation and allocated on a per capita basis; funding for conferences, AIS, flight ops, and SPDP have been centralized



FY 01 Budget Targets (\$000)

	<u>DCMDE</u>	<u>DCMDW</u>	<u>DCMDI</u>	<u>HQ</u>
Labor	409,414	316,990	35,426	12,957
Travel	8,047	6,379	3,571	1,954
PCS	5,271	2,801	3,384	412
Training	2,922	2,289	240	5,068
Rent	5,521	11,174	2,834	2,500
Communications/Postal	9,826	9,217	2,337	115
Printing	347	474	17	412
Other Contracts	16,538	11,514	10,238	4,251
Supplies	1,849	1,600	493	564
Equipment	451	158	564	-
Other	216	891	624	-
Total	460,402	363,487	59,728	28,233
Reimbursables	59,891	53,142	17,395	331
FTEs	5,864	4,547	490	137



FY 01 Budget Challenges

- Finding the right strategy to achieve our FTE target for the least amount of cost
- Finding the right strategy to fully execute our FTEs without the yearly “see saw” effect
- Finding ways to reduce our nonlabor costs
- Must manage NASA reimbursable work